# 2016

## Half Year Investors/Analysts Presentation

# Outline

- Macro-economic Review
- Overview of H1 2016
- H1 2016 Performance Review
- Business Segments and Subsidiary Review
- H2 2016 Guidance and Plans

# Macro-economic Review

# Macro-economic Review

## Economic slowdown and Budget Implementation

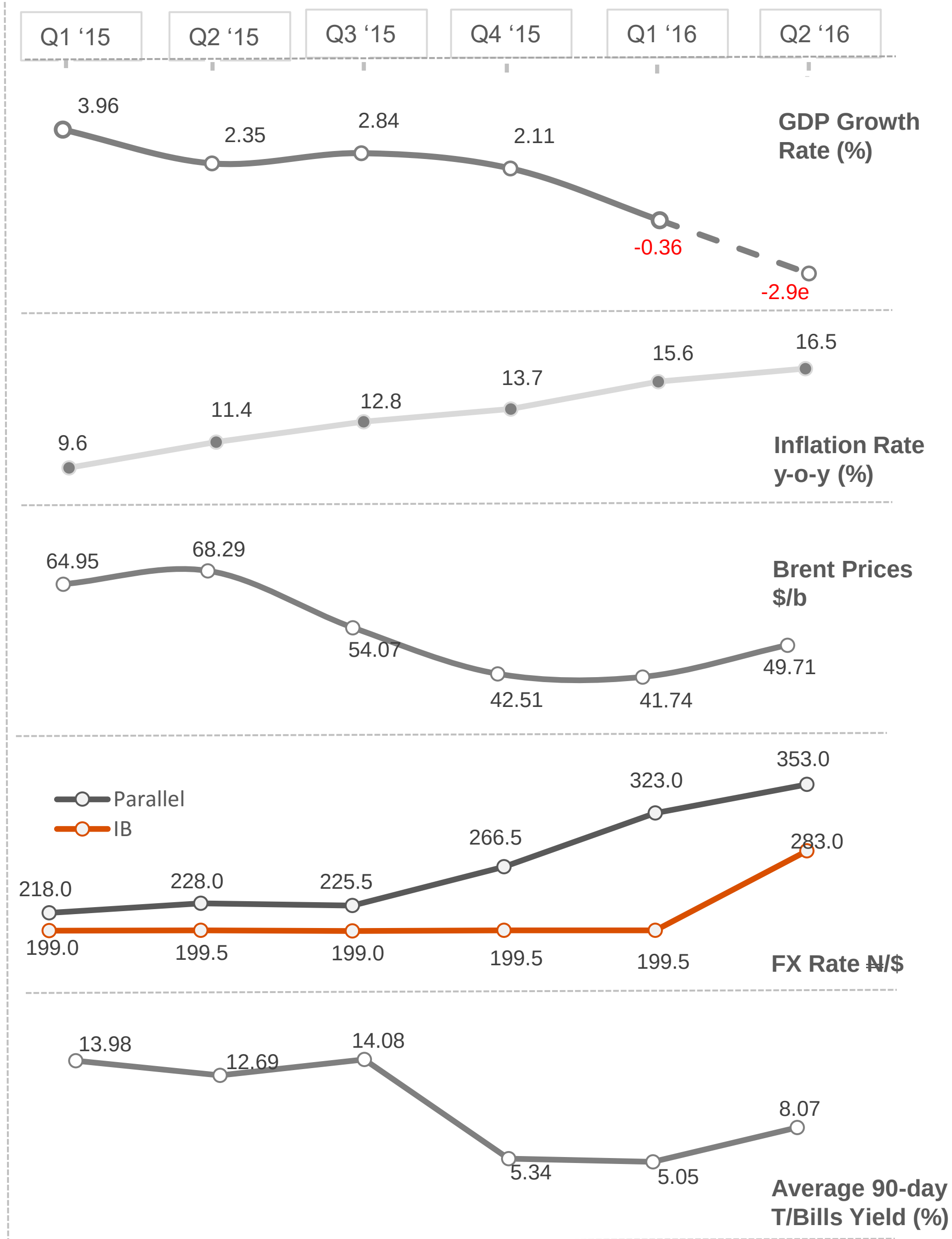
- The economy contracted by 0.4% in Q1 2016, down from a growth of 2.1% recorded in Q4 2015, it is expected to further worsen to -2.9% in Q2 2016.
- The decline in economic output was attributed to FX scarcity, inappropriate pricing of the naira and delay in the signing of the 2016 Budget.
- Following the resurgence of militancy in the delta region and lingering weak oil price, the oil revenue and external reserves continued to nosedive.
- 24 states were reported to be technically insolvent as the federal government has had to bail them out through 4 intervention mechanisms in the last 12 months.

## Oil Price and External Reserves

- Despite crashing to $27pbl in January 2016, oil prices rebounded in subsequent months and peaked at $50pbl in June 2016. The increase was induced by production difficulties in Canada, Libya, Nigeria and Iraq.
- Following the continued vandalisation of oil installations in the delta region by the Niger Delta Avengers (NDA), Nigeria lost its top position as Africa's largest oil producer to Angola.
- External reserves declined by $1.9bn (7.2%) year-to-date to $26.3bn as at June 30th, 2016 despite the 33% increase in crude oil prices during the same period.
- Oil production rose to 1.6 mbpd in the later part of June 2016 from 1.4 mbpd in the preceding month, due to repairs of major oil installations attacked by the NDA in the delta region

## Inflation, Interest Rate and Exchange Rate

- Headline Inflation (y-o-y) trended upwards consistently through the first six (6) months of the year to close at 16.5% in June 2016 from 9.6% reported in Jan. 2016.
- The continuous spike in headline inflation was attributable to the rising energy cost (electricity and fuel), pass-through effect of weakening exchange rate on prices of imported goods and low industrial productivity
- The liberalization of the foreign exchange market by the CBN, which became effective in Jun 2016 – triggered a 43% depreciation of the naira.
- CBN hiked MPR by 200 bps in time for inflation targeting and reverse negative real return on investment .



# Overview of H1 2016

## January

- Headline inflation (year-on-year) flat at 9.6% from 9.55% in December 2015.
- The CBN discontinued sale of foreign exchange to Bureau de Change (BDC) operators to stem sharp practises.
- CBN resumed sale of PTA/BTA to customers through commercial banks.
- Oil prices fell below US$30 per barrel following the lifting of international sanctions against Iran and return of Iran's oil production into the market
- The CBN discontinued daily dollar auctions to banks in a bid to stem reserves attrition.
- The CBN replaced COT with a Negotiable Current Account Maintenance fee (NCAMF) and capped the rate at N1/mille.
- The CBN MPC maintains status quo on all macro-economic indicators.

## February

- Domestic crude oil production was estimated at 1.80 million barrels per day (mbpd) with export at 1.35 mbpd putting local consumption at 0.45 mpbd.
- Brent crude oil estimated at US$35.39 per barrel relative to $27.69 per barrel in Jan.2016.
- Headline inflation rose to 11.4% from 9.6% recorded in Jan. 2016.
- 45% increase in electricity tariff took effect on February 1st, 2016.
- An oil facility operated by Shell Petroleum development Company (SPDC), Forcados, was attacked by the Niger Delta Avengers (NDA).
- Commercial Banks encouraged to allocate at least 50% of its CBN intervention winnings to fresh LCs.

## March

- Headline inflation increased to 12.8% from 11.4% reported in February 2016.
- Banks were mandated to commence publishing details of FX sales to customers.
- The CBN permitted DMBs to resume receipt of FX deposits from customers
- The MPC commenced tightening; increased MPR by 100 bps to 12% and CRR by 250 bps to 22.5% (5% still sterilized for real sector lending).

## April

- Lingering fuel scarcity affected businesses and households severely, thus hindered economic activities in the country.
- Headline inflation continued its upward run closing at 13.7% from 12.8% in the preceding month.
- The Federal Government announced a possible currency swap deal between Nigeria and China to facilitate trade.

## May

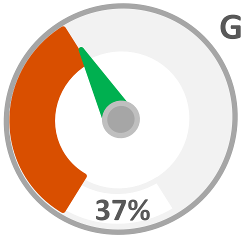
- Headline inflation soared to 15.6% from 13.7% reported in April 2016.
- Price of Premium Motor Spirit (PMS) increased by 68% from N87 to N145 per litre effectively removing subsidy paid on PMS.
- The MPC maintained status quo on all macroeconomic indicators at its May 2016 Meeting.
- The CBN announced a review of the foreign exchange policy and hinted a possible floating of the naira.
- President Buhari signed the 2016 Budget into law

## June

- Headline inflation spiked to 16.5% from 15.6% reported in May 2016
- The FX Interbank market was reopened with new FX policy and market guidelines
- The adoption of floating exchange rate and market guidelines saw the naira devalued by 43%.
- The CBN launched the country's first Naira-settled over-the-counter (OTC) foreign exchange (FX) Futures on the FMDQ OTC Securities Exchange market.
- CBN sold $4.05bn in a combination of $582.87mm spot and $3.47bn forwards of 1, 2 and 3 months in a bid to clear backlog demands.
- The Federal Government approved a N90 billion bailout for states.
- Following eight (8) separate attacks on oil facilities by the NDA in May 2016, oil production dipped to 1.38mbpd from 1.50mbpd in May 2016.
- Higher capital requirement of 16% for SIBs (Systematically Important Banks) was further extended to July 2017.

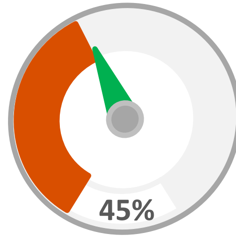
# H1 2016 Performance Review

# Income Statement Snapshot



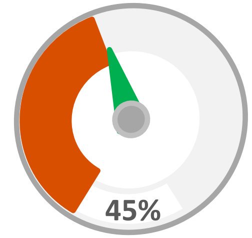

## Gross Earnings (N'bn)

| | |
|---|---|
| H1 2016 | 209.9 |
| H1 2015 | 153.0 |



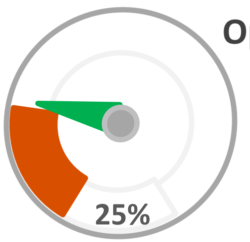

## Profit Before Tax (N'bn)

| | |
|---|---|
| H1 2016 | 91.4 |
| H1 2015 | 63.1 |



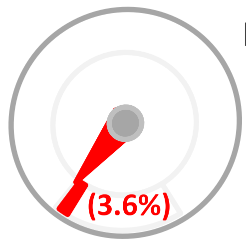

## Profit After Tax (N'bn)

| | |
|---|---|
| H1 2016 | 77.5 |
| H1 2015 | 53.4 |



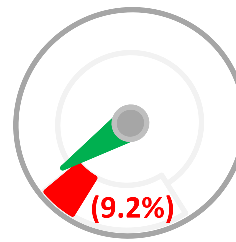

## Operating Income (N'bn)

| | |
|---|---|
| H1 2016 | 140.4 |
| H1 2015 | 112.2 |



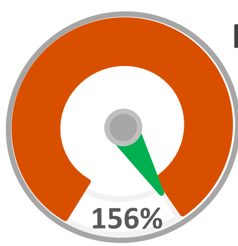

## Interest Income (N'bn)

| | |
|---|---|
| H1 2016 | 109.8 |
| H1 2015 | 113.9 |



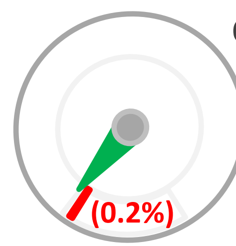

## Interest Expense (N'bn)

| | |
|---|---|
| H1 2016 | 30.7 |
| H1 2015 | 33.8 |




## Non-Interest Income (N'bn)

| | |
|---|---|
| H1 2016 | 100.1 |
| H1 2015 | 39.1 |




## Operating Expense (N'bn)

| | |
|---|---|
| H1 2016 | 49.0 |
| H1 2015 | 49.1 |

# Income Statement

| ₦'million | Group Jun 2016 | Group Jun 2015 | YoY ∆% |
|---|---|---|---|
| **Gross Earnings** | **209,873** | **152,996** | **37.2%** |
| | | | |
| Interest income | 109,778 | 113,885 | -3.6% |
| Interest expense | (30,663) | (33,765) | -9.2% |
| **Net interest income** | **79,115** | **80,120** | **-1.3%** |
| Loan impairment charges | (37,547) | (5,951) | 530.9% |
| **Net interest income after loan impairment charges** | **41,568** | **74,169** | **-44.0%** |
| Fee and commission income | 36,077 | 24,609 | 46.6% |
| Fee and commission expense | (1,268) | (1,091) | 16.2% |
| **Net fee and commission income** | **34,809** | **23,518** | **48.0%** |
| Net gains on financial instruments classified as held for trading | 2,346 | 7,596 | -69.1% |
| Other income | 61,671 | 6,906 | 793.0% |
| Net impairment reversal on financial assets | - | 3 | -100.0% |
| Personnel expenses | (14,514) | (15,109) | -3.9% |
| Operating lease expenses | (603) | (535) | 12.7% |
| Depreciation and amortization | (7,010) | (6,124) | 14.5% |
| Other operating expenses | (26,885) | (27,312) | -1.6% |
| **Profit before income tax** | **91,382** | **63,112** | 44.8% |
| Income tax expense | (13,921) | (9,738) | 43.0% |
| **Profit after tax** | **77,461** | **53,374** | 45.1% |

# Balance Sheet Snapshot

### Total Asset (N’bn)

16%

| | |
|---|---|
| H1 2016 | 2,931.0 |
| FY 2015 | 2,524.6 |

### Total Liability (N’bn)

17%

| | |
|---|---|
| H1 2016 | 2,478.2 |
| FY 2015 | 2,111.0 |

### Total Equity (N’bn)

9.0%

| | |
|---|---|
| H1 2016 | 452.8 |
| FY 2015 | 413.6 |

### Total Loans and Advances (N’bn)

14%

| | |
|---|---|
| H1 2016 | 1,562.3 |
| FY 2015 | 1,373.0 |

### Total Deposits (N’bn)

23%

| | |
|---|---|
| H1 2016 | 2,007.9 |
| FY 2015 | 1,636.6 |

### Investment Securities (N’bn)

(6.3%)

| | |
|---|---|
| H1 2016 | 459.3 |
| FY 2015 | 490.2 |

### EPS (Kobo)

46%

| | |
|---|---|
| H1 2016 | 274 |
| H1 2015 | 188 |

### Interim Dividend (Kobo)

0%

| | |
|---|---|
| H1 2016 | 25 |
| H1 2015 | 25 |

# Balance Sheet

| ₦'million | Group Jun 2016 | Group Dec 2015 | YoY ∆% |
|---|---:|---:|---:|
| **ASSETS** | | | |
| Cash and cash equivalents | 386,771 | 254,633 | 51.9% |
| Financial assets held for trading | 18,905 | 34,626 | -45.4% |
| Derivative financial assets | 465 | - | 0.0% |
| Investment securities: | | | |
| – Available for sale | 342,317 | 364,180 | -6.0% |
| – Held to maturity | 36,461 | 29,408 | 24.0% |
| Assets pledged as collateral | 61,603 | 61,955 | -0.6% |
| Loans and advances to banks | 1,441 | 1,051 | 37.1% |
| Loans and advances to customers | 1,560,827 | 1,371,926 | 13.8% |
| Property and equipment | 90,066 | 87,989 | 2.4% |
| Intangible assets | 13,927 | 12,471 | 11.7% |
| Deferred tax assets | 4,843 | 3,244 | 49.3% |
| Restricted deposits and other assets | 413,370 | 303,111 | 36.4% |
| **TOTAL ASSETS** | **2,930,996** | **2,524,594** | **16.10%** |

# Balance Sheet Contd.

| ₦'million | Group Jun 2016 | Group Dec 2015 | YoY ∆% |
|---|---|---|---|
| **LIABILITIES** | | | |
| Deposits from banks | 34,853 | 26,257 | 32.8% |
| Deposits from customers | 1,973,009 | 1,610,350 | 22.52% |
| Derivative financial liabilities | 398 | - | 0.00% |
| Other liabilities | 126,087 | 104,606 | 20.54% |
| Current income tax liabilities | 17,961 | 17,739 | 1.25% |
| Deferred tax liabilities | 4,040 | 6,840 | -40.9% |
| Debt securities issued | 113,962 | 180,117 | -36.4% |
| Other borrowed funds | 207,885 | 165,123 | 25.9% |
| **TOTAL LIABILITIES** | **2,478,195** | **2,111,032** | **17.4%** |

| ₦'million | Group Jun 2016 | Group Dec 2015 | YoY ∆% |
|---|---|---|---|
| **Capital and Reserves** | | | |
| Share capital | 14,716 | 14,716 | 0.0% |
| Share premium | 123,471 | 123,471 | 0.0% |
| Treasury shares | (5,291) | (4,754) | 11.3% |
| Retained earnings | 63,935 | 51,089 | 25.1% |
| Other components of equity | 248,127 | 222,651 | 11.4% |
| **Total equity attributable to equity owners of the parent** | **444,958** | **407,173** | **9.3%** |
| Non-controlling interests in equity | 7,843 | 6,389 | 22.8% |
| **Total equity** | **452,801** | **413,562** | **9.5%** |
| **Total equity And liabilities** | **2,930,996** | **2,524,594** | **16.1%** |

# Key Performance Ratios

| Six months ended June 30, 2015 | | Six months ended June 30, 2016 |
|---|---|---|
| 8.17% | Net Interest Margin | 8.40% |
| 43.75% | Cost to Income | 34.91% |
| *18.17% | Capital Adequacy | 18.25% |
| *42.21% | Liquidity | 36.87% |
| *69.28% | Loans to Deposits and Borrowings | 67.06% |
| 28.12% | Return on Average Equity | 35.76% |
| 4.36% | Return on Average Assets | 5.68% |
| *3.21% | NPL to Total Loans | 4.39% |
| 0.91% | Cost of Risk | 2.48% |
| *186.73% | Coverage (with Reg. Risk Reserve) | 170.11% |

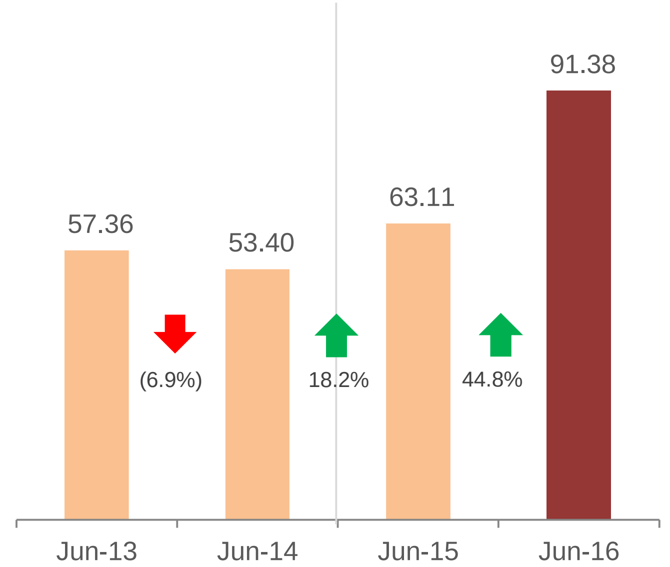
**ratios as at December 31st, 2015*

# PBT Evolution

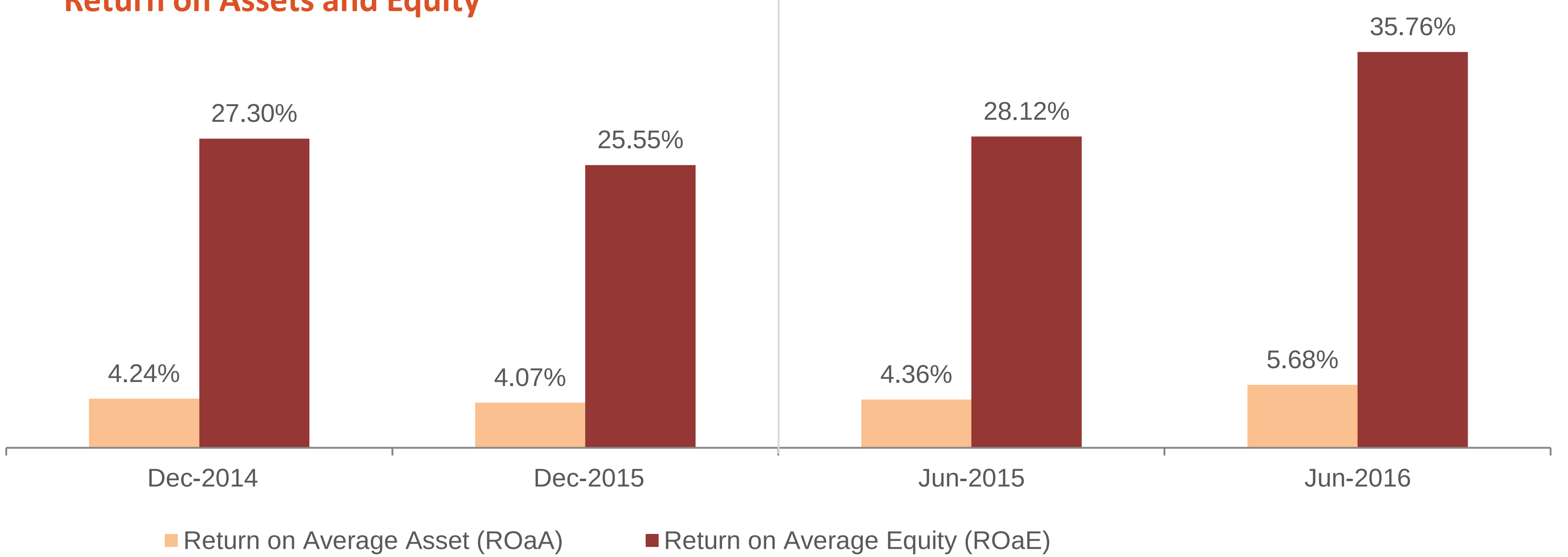
## Robust H1 2016 PBT

- Robust PBT performance was as a result of 37.2% growth in Gross Earnings from N152.9bn in June 2015 to N209.87bn in June 2016.
- Growth in revenue was primarily driven by the combination of N54.7bn and N11.5bn growth recorded on Other Income (i.e. revaluation gains and Dividend Income) and Gross Fee and Commission Income respectively.
- The growth on these two (2) lines was adequate to compensate for the 3.8% (₦4.11bn) decline in interest income largely caused by drop in fixed income yields from 13.7% to 8.7%. Also, completely offset N5.2bn decrease recorded on Net Trading Income line.
- Savings on Interest Expense (9.2%) and Operating Expense (0.2%) also enhanced the PBT performance while the increase in collective impairment is to create reserves against matured usances and unconfirmed LCs which have suffered devaluation losses and customers might be unable to absorb.
- The resultant impact of all the variable elements is PBT of N91.4bn which represents 45% growth over what was recorded in the corresponding period 2015.
- Subsidiaries’ contribution to PBT closed at 6.2% (H1 2015:7.7%).

## PBT (₦'Bn)




## Return on Assets and Equity

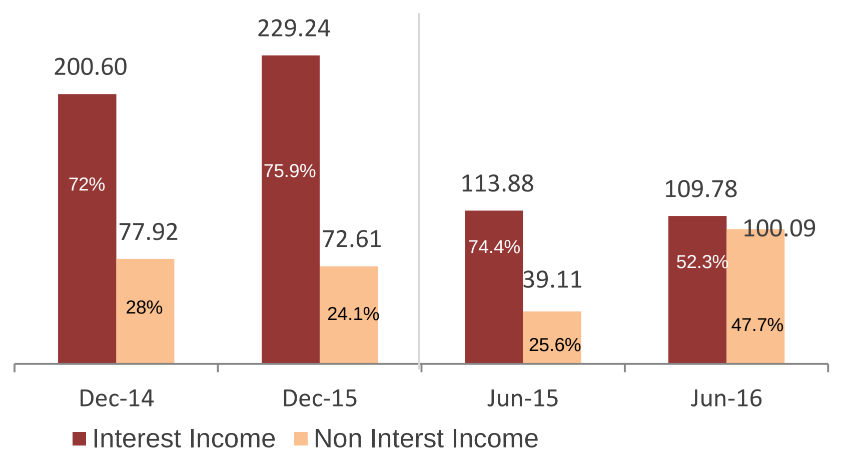


# Revenue Generation

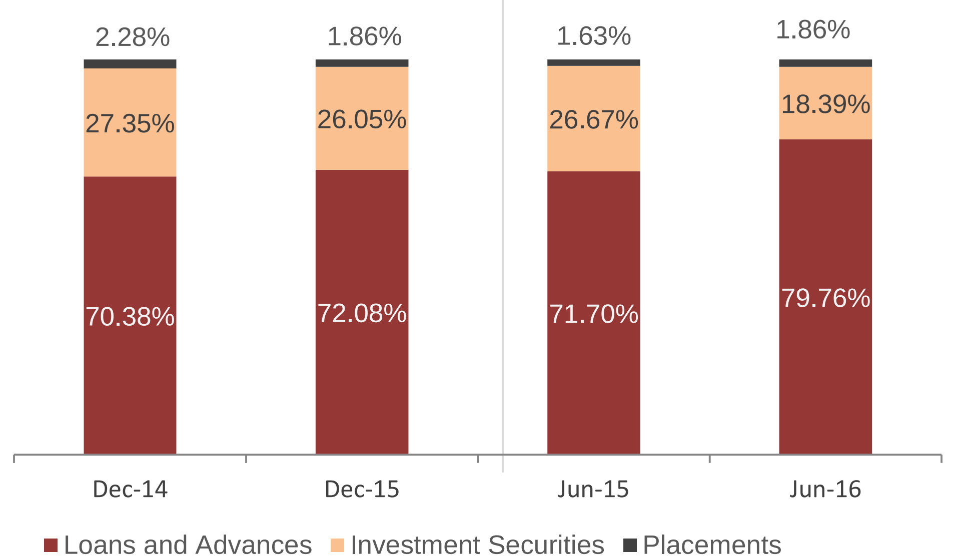
## Strong Revenue

- Interest income declined slightly by 3.6% largely due to decrease in assets yield (11.5% vs 12.4%) on the back of single digit yield on Fixed Income Securities which stood at 8.7% in H1 2016 compared with 13.7% in H1 2015. Also, slow down in the level of economic activity in the first 6 months of the year hindered quality risk assets creation thereby robbing the Bank of needed Interest Income.
- Fee and Commission income, however, grew by ₦11.5bn (46.6%) despite a 29.3% decline in Account Maintenance Charges (Jun 2016: ₦3.9bn vs Jun 2015: ₦5.5bn) at ₦1/mille due to continued increase in the adoption rate of the bank's e-banking and cards product offerings.
- Other Income comprising gains on disposal of long term investments, forex earnings and dividend income grew by ₦54.8bn from ₦6.9bn in June 2015 to ₦61.7bn in June 2016.

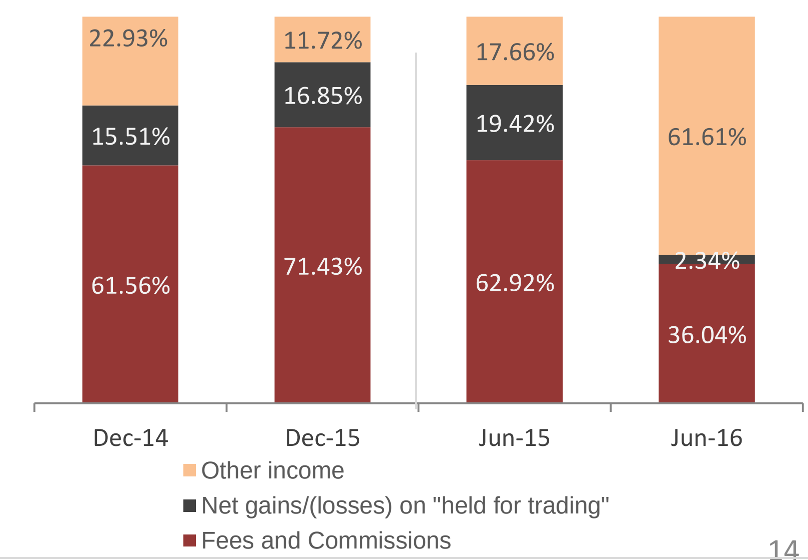
## Revenue Mix (₦'Bn)




## Interest Income




## Non-Interest Income

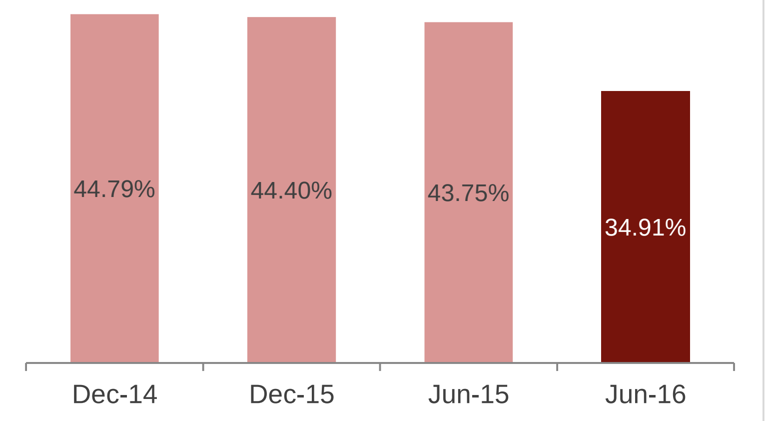


# Effective Cost Management

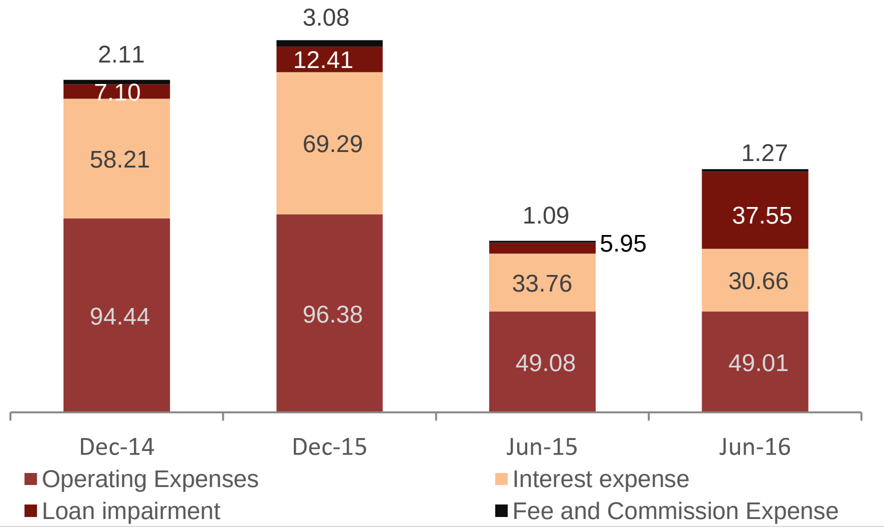
## Cost Efficiency

- Cost to Income Ratio (CIR) improved to 34.9% relative to 43.8% in June 2015. Operating Expense was relatively flat for the period under review as it improved by 0.2% to N49.0bn from N49.1bn in Jun. 2015 despite rise in inflation rate.
- CIR improved as a result of our unrivaled cost curtailment strategies coupled with revenue growth. CIR (YoY) would have been better by 29bps but for the increase in AMCON charges (N5.7bn in June 2016 from N5.3bn in June 2015) and NDIC premium (N3.1bn in June 2016 from N3.0bn in June 2015).
- Interest Expense also improved by 9.2% to N30.7bn from N33.8bn in June 2015 as a result of 11.5% cost savings on interest expense paid on customers' deposits i.e. N24.7bn vs N21.9bn of June 2015.
- There was also a 17.9% savings on interest expense paid on debt securities issued from N6.2bn in June 2015 to N5.1bn in June 2016. The savings on this line resulted from the repayment of the US$500m Eurobond debt note wherein 25% was redeemed via Tender Offer in February 2016, despite the FX scarcity that pervaded the economy, and final redemption of the balance 75% in May 2016.

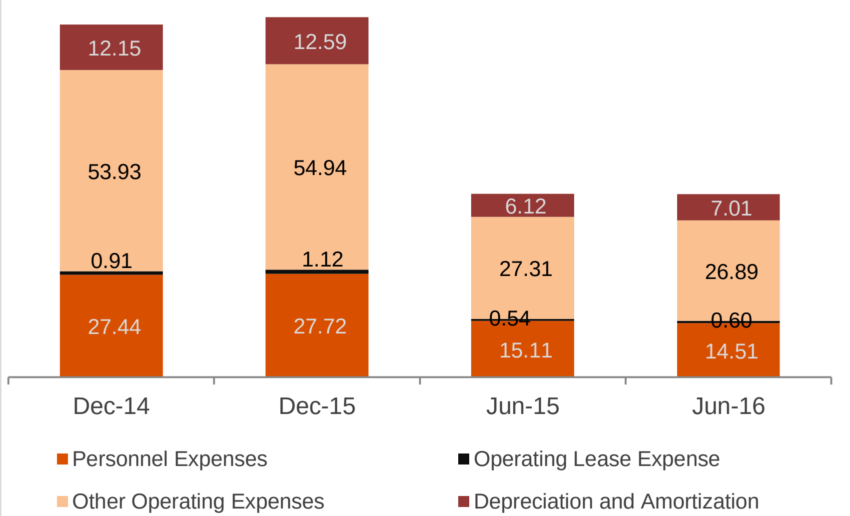
## Cost to Income (CIR)




## Overview of Expenses (₦'Bn)




## Operating Expenses (OPEX) (₦'Bn)

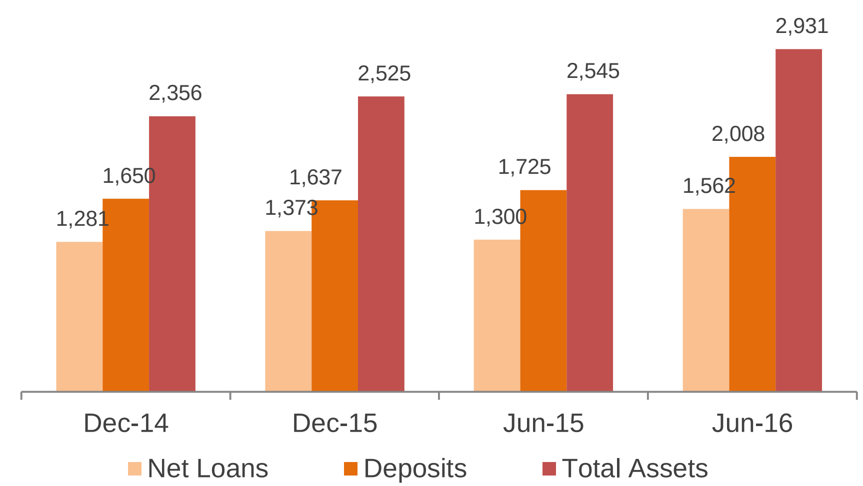


# Balance Sheet Composition

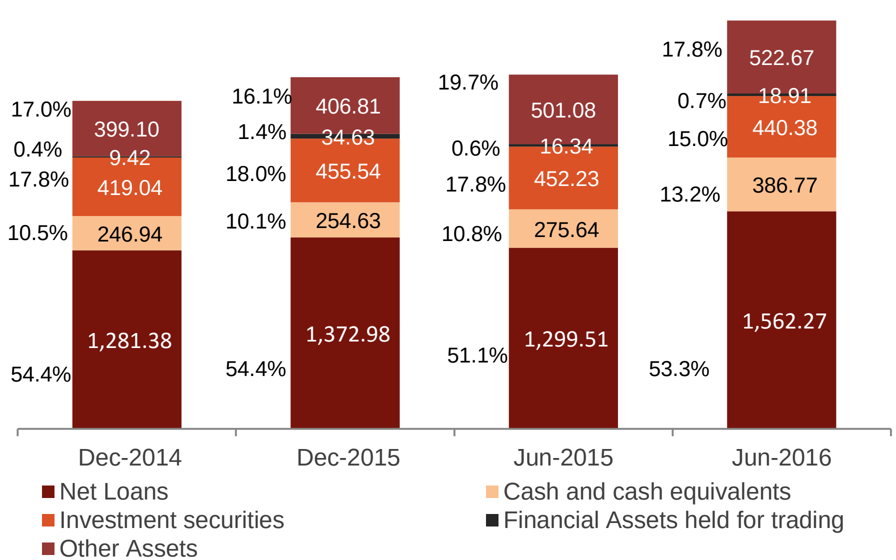
## Balance Sheet Management

- Well structured Balance Sheet with earning assets accounting for 72% and Non-earning asset 28% (owing to sterilization of 27.5% in CRR – 22.5% required and 5% for real sector loans). Total Loan book which grew by ₦189bn (13.8%) to ₦1.562tn from ₦1.373tn in Dec.2015 (with Devaluation Impact) accounted for 53.3% of the Total Asset as at June 2016.
- However, Fixed income securities' contribution to Total Assets declined from 17.8% in H1 2015 to 15.0% in H1 2016 as a result of the need to meet TSA directive.
- Well diversified funding base with Deposits accounting for 69%, Equity 15.6%, Other Borrowed Funds 11.1% and Other Liabilities 4.3%. Total Deposits grew by ₦371.3bn (22.7%) to ₦2.008tn from ₦1.637tn in December 2015, largely due to the Group's impressive low cost deposits drive. Without the impact of currency devaluation, the Group would have still returned a decent 10.2% growth in customers' deposits during the period under review.
- Loan-to-deposit and borrowings which stood at 67.1% (Dec 2015: 69.3%) presents adequate elbow room for further risk assets growth.

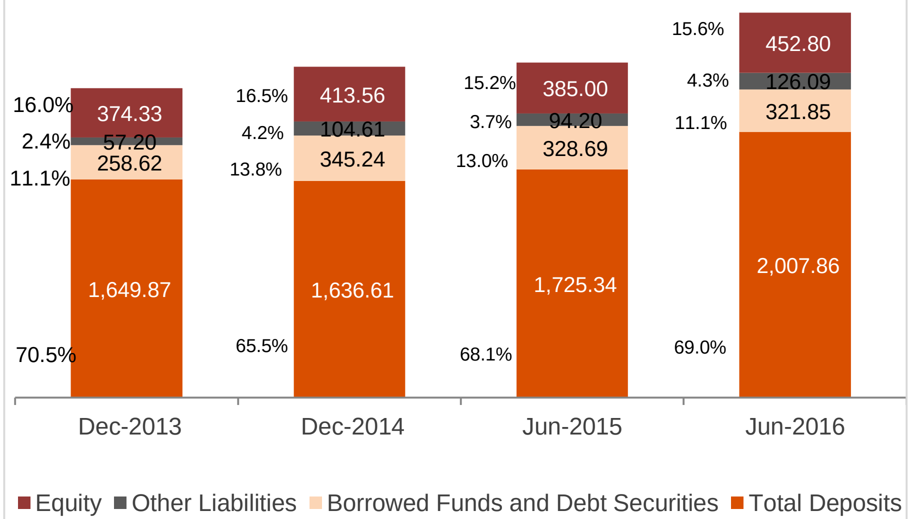
## Loans, Deposits & Total Assets (₦'Bn)




## Components of Asset Base (₦'Bn)




## Diverse Funding Mix (₦'Bn)

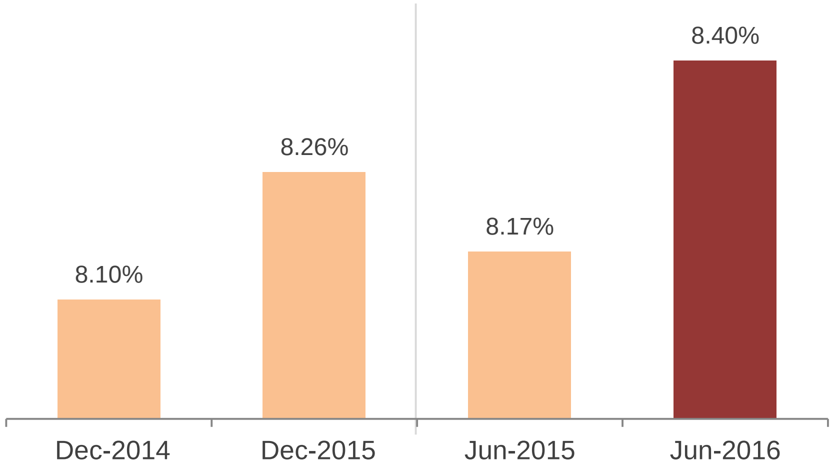


# Margin Metrics

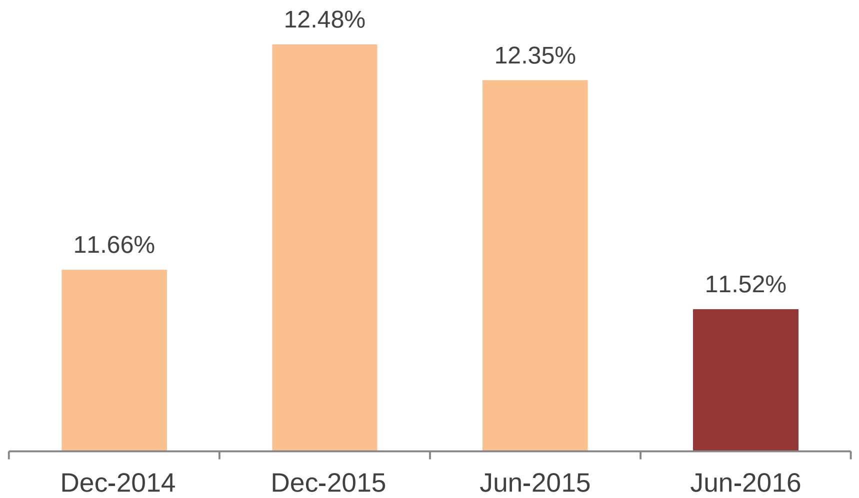
## Sustained Competitive Margins

- Yields on Fixed income securities were mostly at single digit levels for the period under review and these led to the marginal drop in Asset yield by 90bps from 12.4% in June 2015 to 11.5% in June 2016.
- Cost of funds improved by 60bps to 2.8% from 3.4% in June 2015.
- NIM remained strong at 8.4% (H1 2015: 8.2%) as improved cost of funding neutralized the impact of decline in average asset yield.

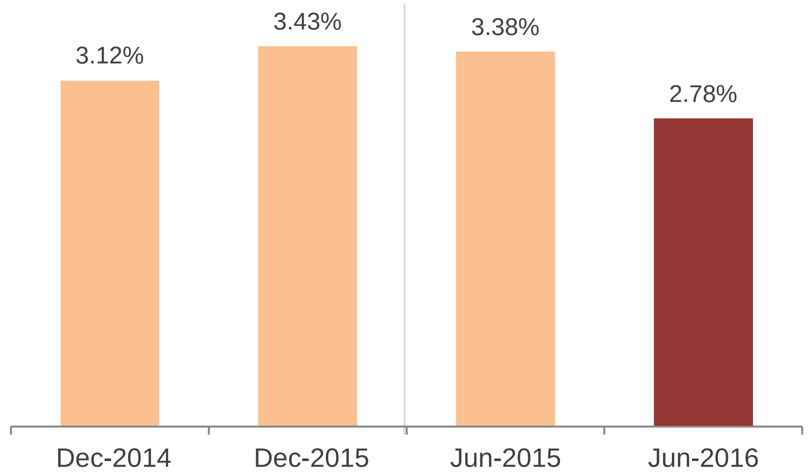
## Net Interest Margin




## Yields on Interest earning Assets




## Cost of Funds

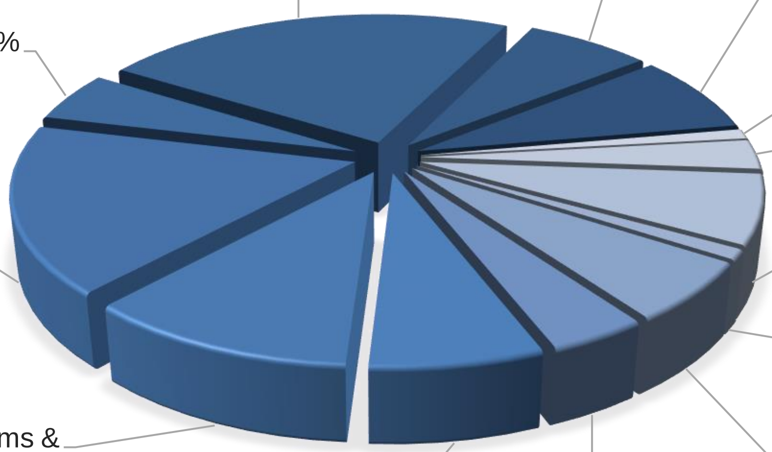


# Asset Mix

## Asset Diversification

- Well diversified Loan exposures as shown in the pie-chart below.
- Depreciation of the Naira against US dollars however, led to growth in the Oil and Gas, Manufacturing and General Commerce contribution as a proportion of the total Loan and Advances portfolio.
- The increases in contribution noted resulted from conversion of the Foreign currency component of the Loan exposures in the aforementioned sectors to Naira, as no material foreign currency loans were consummated during the period under review. Also, the exchange rate movement weighed heavily and offset the impact of the loan repayments in these sectors (i.e. especially in the Oil and Gas sector).

## Loans by Industry



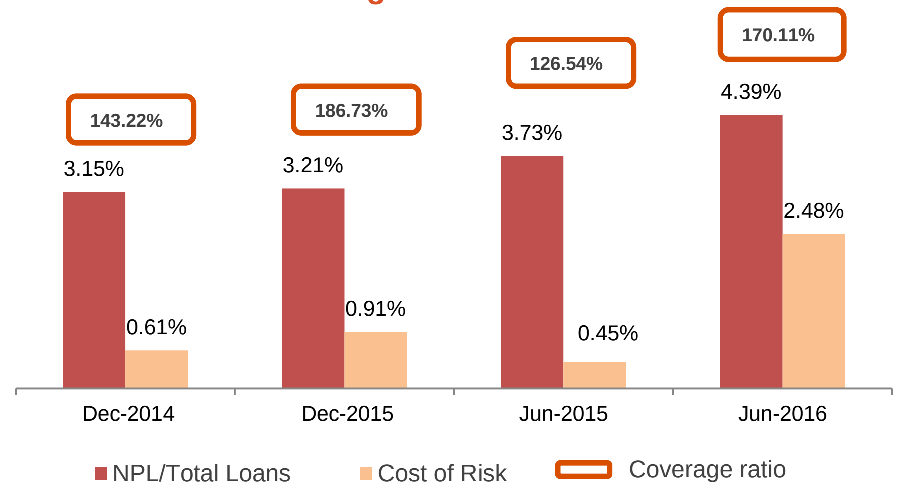

** Includes Engineering services, Hospitality, Clubs, co-operative societies etc.*

# Asset Quality

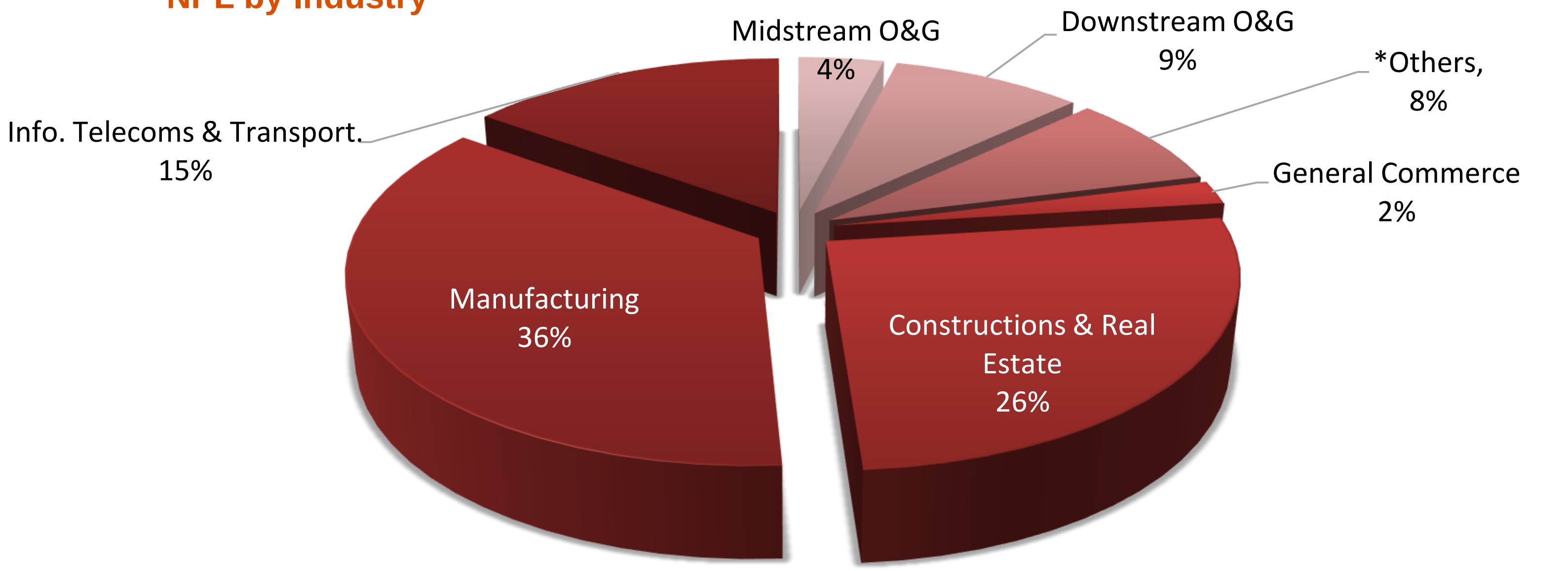
## Asset Quality

- NPL ratio stood at 4.39% (Dec. 2015: 3.21%) due to one loan provided for in one of our Subsidiaries and also the conservative stance of accelerating collective impairment charge.
- Adequate coverage levels for delinquent assets. Coverage with regulatory reserve –170.1% (Dec. 2015: 186.7%).
- Requisite impairment charge on loan book returning a Cost of Risk of 2.48% (June 2015: 0.45%)

## NPL and Coverage

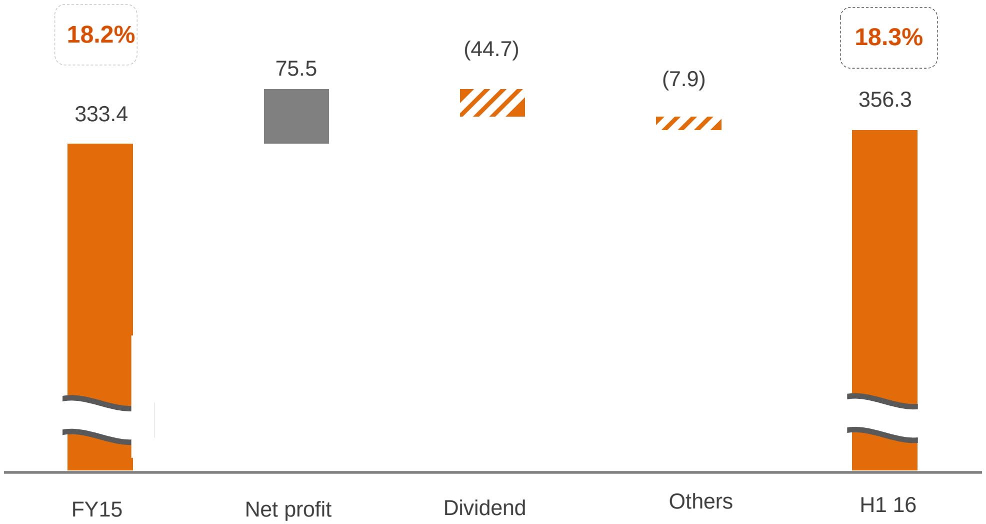



## NPL by Industry




* Includes Engineering services, Hospitality, Clubs, co-operative societies etc.

# Strong Capital Ratios



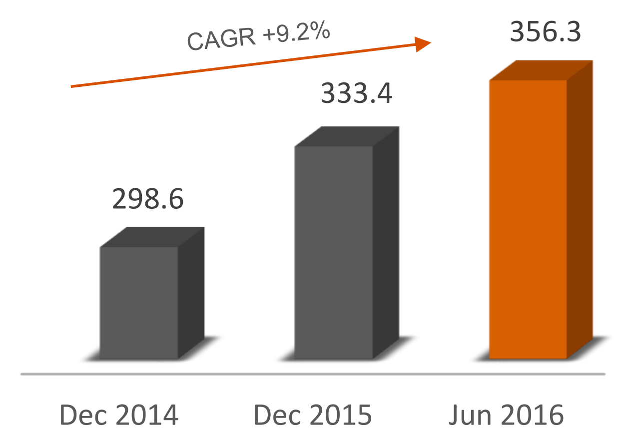

*Figures in ₦ 'bn*

- Capital adequacy ratio, computed under Basel II requirement remained strong at 18.25%.
- Tier 1 CAR was 18.33% and Tier 2 CAR, which comprises of Fair Value Reserves from Available For Sale (AFS) securities and equity investment, stood at -0.08%
- CAR well above the 15% regulatory limit and 16% for domestic systematically important banks (SIB).
- Others comprise of additional investments in subsidiaries, increase in intangible assets (software), deferred tax assets and changes in fair value reserve.

## Capital Adequacy Computation(Basel II)

| in millions of Naira | Dec-15 | Jun-16 |
|---|---|---|
| Net Tier 1 Capital | 329,661 | 357,964 |
| Net Tier 2 Capital | 3,765 | (1,662) |
| **Total Regulatory Capital** | **333,426** | **356,302** |
| Risk-Weighted for Credit Risk | 1,505,104 | 1,604,335 |
| Risk-Weighted for Operational Risk | 325,137 | 347,267 |
| Risk-Weighted for Market Risk | 4,831 | 1,204 |
| **Aggregate Risk-Weighted Assets** | **1,835,072** | **1,952,806** |
| **Capital Adequacy** | | |
| Tier I Risk Weighted Capital Ratio | 17.96% | 18.33% |
| Tier II Risk Weighted Capital Ratio | 0.21% | (0.08%) |
| **Total Risk Weighted Capital Ratio** | **18.17%** | **18.25%** |

## Improving Regulatory Capital - Tier 1 & 2 (₦'Bn)

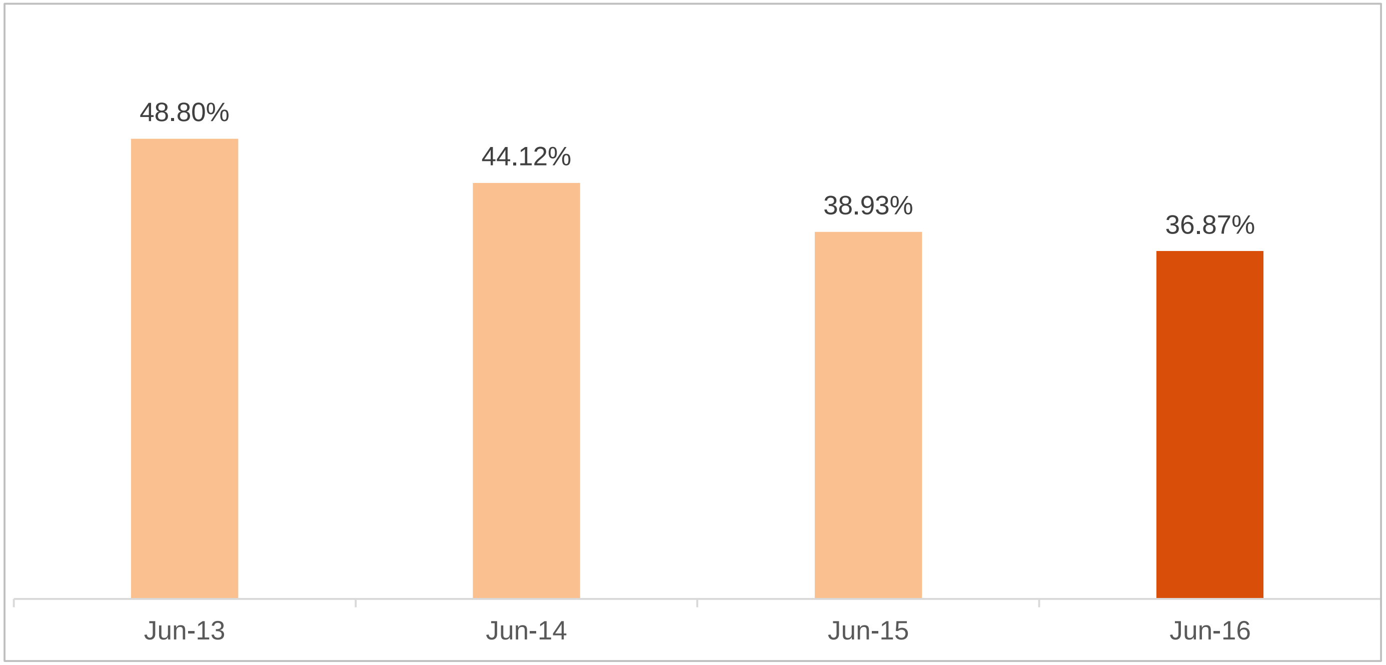



***NOTE**: Investment in unconsolidated subsidiaries have been excluded.*

# Liquidity Ratios

**Strong Liquidity Position**

- Liquidity Ratio at 36.9% in June 2016 (Dec.2015: 42.2%) well above regulatory minimum of 30% inspite of full compliance to TSA directive during the period.
- Average Liquidity for the period under review stood at 37.4%



# Non-Financial Highlights for HY 2016

## EMPLOYEES

6,479 employees

**Gender**

55% | 45%

**Training**

91% employee received training in HY 2016

## CUSTOMERS

Over 8.6 million Customers

**International Branch Network**

401

**GT Express**

54 e-branches & GTExpress locations in Nigeria

**ATM**

Over 1,200

## SHAREHOLDERS

336,081 Shareholders

**EPS**

274 Kobo

**Positioning**

No.1 in Market Capitalization (Bank) and Best in Class Returns

## COMMUNITIES

**CSR Projects in Schools**

Principals Cup: 740 Schools
Masters' Cup: 23 Schools

participated in the 2016 edition of the football tournaments

**2016 Annual Autism Conference**

209 Children | 1,650 Caregivers

benefitted from the Annual Autism Child Assessment and conference

**GTCrea8 eSavers Scholarship**

36

university undergraduates in the six geo-political zones of Nigeria

## RATINGS

FitchRatings: B+

S&P Global Ratings: B+

## ACCOLADES

WORLD FINANCE BANKING AWARDS 2016
Best Banking Group 2016

AFRICAN BANKER AWARDS 2016
Africa Banker Magazine

EUROMONEY AWARDS FOR EXCELLENCE 2016
Nigeria's Best Bank 2016
African's Best Digital Bank 2016

# Business Segments and Subsidiary Review

# Business Segmentation

| | Description | Key figures | Loans | Deposits | PBT |
|---|---|---|---|---|---|
| **Institutional and Wholesale** | • Multinationals and large corporates (turnover ₦5bn)<br>• Comprises of six sectors:<br>· Energy<br>• Telecoms<br>• Maritime<br>· Wholesale Banking<br>· Corporate Banking | Over 400 Customers<br>• **Loans** – ₦1,108.3bn<br>• **Deposits** - ₦529.7bn<br>• **PBT** – ₦57.9bn | **71.0%**<br>FY 2015: 70.1% | **26.8%**<br>FY 2015: 23.4% | **64.2%**<br>H1 2015: 69.4% |
| **Commercial** | • Middle market companies (turnover between ₦500mm and ₦5bn)<br>• Extensive product range: tailor-made solutions and flexibility<br>• Custom E-commerce solutions | Over 50,000 Customers<br>• **Loans** – ₦201.7bn<br>• **Deposits** – ₦319.2bn<br>• **PBT** – ₦5.0bn | **12.9%**<br>FY 2015: 14.9% | **16.2%**<br>FY 2015: 17.8% | **5.6%**<br>H1 2015: 9.3% |
| **SME** | • Small and medium enterprises (turnover under ₦500mm)<br>• Products tailored to cater to small, fledgling and other types of fairly unstructured businesses | Over 300,000 Customers<br>• **Loans** – ₦22.2bn<br>• **Deposits** – ₦200.3bn<br>• **PBT** – ₦2.0bn | **1.4%**<br>FY 2015: 1.4% | **10.2%**<br>FY 2015: 10.5% | **2.2%**<br>H1 2015: 1.9% |
| **Retail** | • Deposit drive focus for retail customer-base<br>• Rapidly developing business line<br>• 224 branches, 46 e-branches & 1,165 ATMs<br>• Extensive leverage of all distribution channels | Over 8.3 mil. Customers<br>• **Loans** – ₦164.5bn<br>• **Deposits** – ₦893.3bn<br>• **PBT** – ₦24.6bn | **10.5%**<br>FY 2015: 9.7% | **45.3%**<br>FY 2015: 46.1% | **27.2%**<br>H1 2015: 15.6% |
| **Public Sector** | • Focus on:<br>• Federal government<br>• State governments<br>• Local governments and customers<br>• Active in all government segments | All tiers of government<br>• **Loans** – ₦64.1bn<br>• **Deposits** – ₦30.4bn<br>• **PBT** – ₦0.7bn | **4.1%**<br>FY 2015: 3.8% | **1.5%**<br>FY 2015: 2.3% | **0.8%**<br>H1 2015: 3.8% |

# Geographical Presence

## GTB UK

- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.6bn invested by parent
- H1 2016 PBT: ₦164mm
- ROE: 3.2%

## GTB Gambia

- Established in 2002
- 77.81% owned by parent
- 17 branches
- N574.28mm invested by parent
- H1 2016 PBT: ₦716.6mm
- ROE: 38.0%

## GTB Sierra Leone

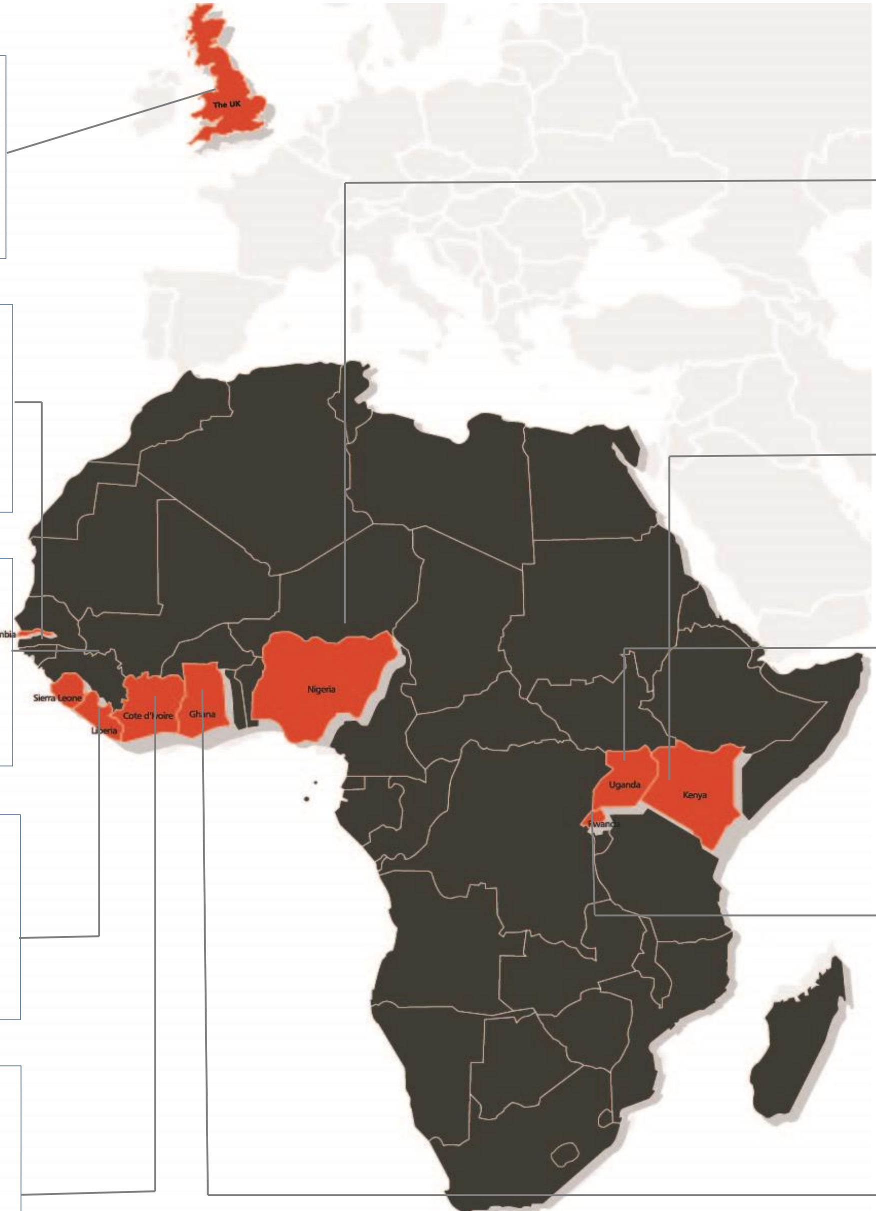
- Established in 2002
- 84.24% owned by parent
- 14 branches
- ₦594.11mm invested by parent
- H1 2016 PBT: ₦1,092mm
- ROE: 32.5%

## GTB Liberia

- Established in 2009
- 99.43% owned by parent
- 8 branches
- ₦1.95bn invested by parent
- H1 2016 PBT: ₦345.8mm
- ROE: 12.7%

## GTB Cote D'Ivoire

- Established in 2012
- 98.98% owned by parent
- 4 branches
- ₦5.08bn invested by parent
- H1 2016 PBT: (₦38mm)
- ROE: -2.3%




## GTBank plc

- Parent Company
- Established in 1991
- 213 branches, 46 e-branches
- ₦430.98bn in SHF (Parent)
- H1 2016 PBT: ₦87.7bn (Parent)
- ROE: 36.1% (Parent)

## GTB Kenya

- Acquired in 2013
- 70% owned by parent
- 15 branches
- ₦17.13bn invested by parent
- H1 2016 PBT: ₦588.6mm
- ROE: 3.3%

## GTB Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 9 branches

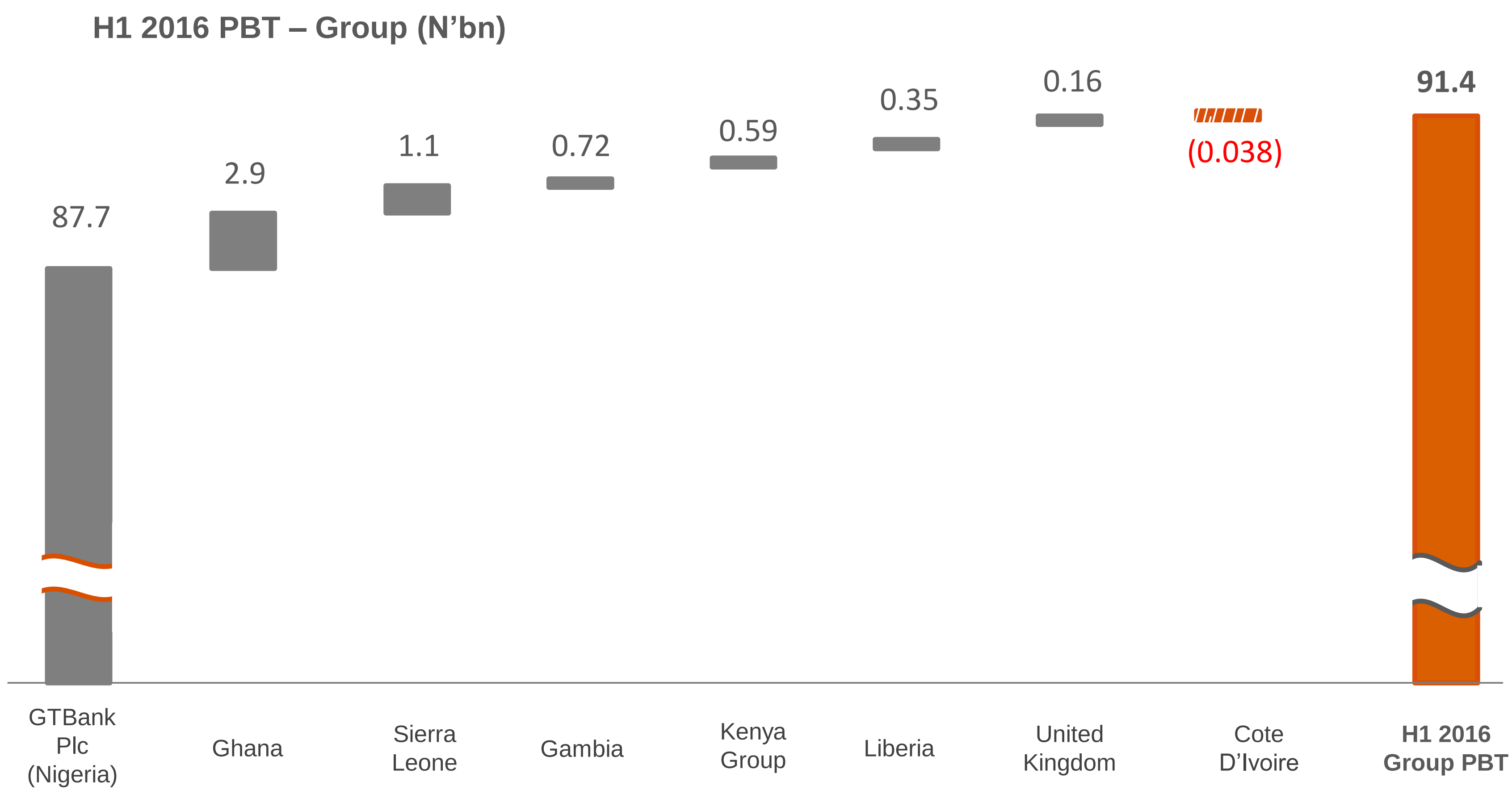
## GTB Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 14 branches

## GTBank Ghana

- Established in 2006
- 97.94% owned by parent
- 34 branches
- ₦9.04bn invested by parent
- H1 2016 PBT: ₦2,891mn
- ROE: 27.2%

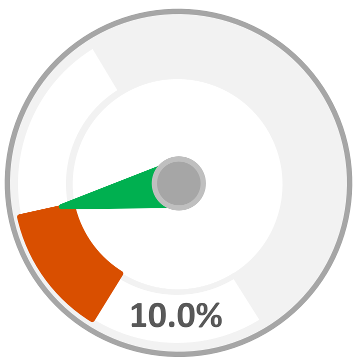
# Group PBT Breakdown



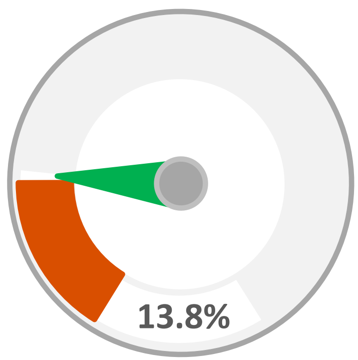
# Subsidiary Highlights

| *Millions of Naira* | H1 2016 vs FY 2015 | | | | | | H1 2016 vs H1 2015 | |
|---|---|---|---|---|---|---|---|---|
| | Assets | % change | Loans | % change | Deposits | % change | PBT | % change |
| **Cote D'Ivoire** | 12,474 | 109.4% | 4,285 | 116.2% | 6,948 | 80.6% | (38) | 81.3% |
| **Gambia** | 32,612 | 26.2% | 5,444 | 11.2% | 18,307 | 28.2% | 717 | 54.5% |
| **Ghana** | 109,344 | 51.4% | 45,577 | 36.2% | 75,067 | 50.0% | 2,891 | 8.7% |
| **Kenya Group** | 109,622 | 38.2% | 54,170 | 42.1% | 76,779 | 49.8% | 589 | (20.0%) |
| **Liberia** | 27,724 | 60.9% | 9,900 | 53.3% | 19,887 | 62.5% | 346 | 40.9% |
| **Sierra Leone** | 31,977 | 16.4% | 11,302 | 45.6% | 25,283 | 15.1% | 1,092 | 20.3% |
| **United Kingdom** | 121,283 | 50.8% | 25,914 | 52.3% | 50,498 | 47.6% | 164 | 72.2% |
| **Nigeria** | 2,565,382 | 12.6% | 1,406,576 | 11.2% | 1,700,295 | 19.5% | 87,726 | 48.2% |
| **Grand Total*** | **2,930,996** | **16.1%** | **1 ,560,827** | **13.8%** | **1,973,009** | **22.5%** | **91,382** | **44.8%** |

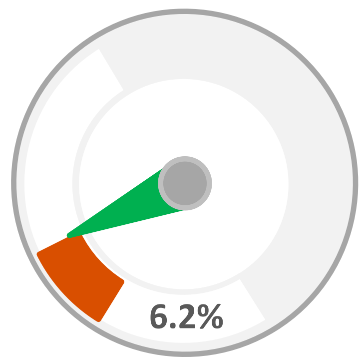
**Loans**




**Deposits**




**PBT**




**post elimination entries*

# H2 2016 Guidance and Plans

# Guidance and Plans for H2 2016

## H2 2016 Guidance and Plan

### Operating Cost Efficiency
- Cost-to-income ratio (CIR) below 45%
- Leverage technological advancement to keep cost low.

### Subsidiaries
- Increase Subsidiaries' contribution to Group's PBT
- Focus on optimizing revenue and minimizing cost of all subsidiaries.

### Sustainable Profitability and Returns
- ROE above 25%
- FY 2016 PBT of N125billion

### Quality Credits
- Grow risk assets of our Institutional Banking Business
- NPL below 5%

### Committed to Growing Retail and SME Business
- Lowering cost of funds and maintain margins

### Alignment to Global Practices
- Remain the best-run bank in the industry
- Corporate governance and compliance policies

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This presentation is based on Guaranty Trust Bank Plc ("**GTBank**" or "**Bank**")'s audited financial results as of and for the half year ended June 30, 2016 prepared in accordance with International Financial Reporting Standards ("**IFRS**") as promulgated by the International Accounting Standards Board. The Bank has also obtained certain information in this presentation from sources it believes to be reliable. Although GTBank has taken all reasonable care to ensure that such external information are accurate and correct, the Bank makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

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